

Widow of UAW vice president Holiefield, guilty of corruption, gets token sentence

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The widow of the late United Autoworkers vice president for Fiat Chrysler, General Holiefield, was sentenced to 18 months in prison, a \$25,000 fine and one year supervised release Friday by a US District Court judge in Detroit.

Monica Morgan, a prominent Detroit photographer, was party to a scheme to funnel some \$1.5 million in funds from the UAW-Chrysler National Training Center (NTC) into the pockets of union officials to influence contract negotiations. According to court filings, money from the NTC was paid to Morgan's photography business as well as the Leave the Lights on Foundation, a phony charity operated by Holiefield.

Morgan was the first person to be sentenced in the federal investigation into UAW corruption.

Prosecutors had asked for a sentence of 27 months, itself an absurdly light punishment given the enormous amount of money stolen and the damage done to autoworkers through the negotiation and subsequent imposition of sellout deals stripping workers of hard won rights. Despite the illegal nature of the payments to Morgan, she only faced a charge of income tax evasion for failing to report the stolen money as income. Prosecutors agreed to dismiss a more serious charge of conspiracy as part of the plea deal.

Part of the money paid to Morgan was earmarked for supposed youth photography classes, but, according to prosecutors, "Despite receiving tens of thousands of dollars, Morgan only taught a handful of classes. In fact, the Woodbridge Community Youth Center terminated their connection with Morgan because of her excessive absenteeism and class cancellations."

The stolen funds financed a \$43,300 pool at the home of the couple, \$32,000 worth of airfare and more than \$260,000 to pay off their mortgage.

The couple also created a fake hospice that reportedly

received \$350,000 in illegally diverted NTC funds.

Morgan's attorneys lobbied heavily for a non-prison sentence, including probation and community service. Their arguments were blatantly based on class. For example, in a court filing her lawyer, Steve Fishman, compared the media treatment of his client to Madame Defarge, from Dickens' *Tale of Two Cities*, who knitted the names of hated aristocrats marked for justice during the French Revolution.

Morgan attempted to use her connections with prominent public officials and businessmen in her bid to stay out of prison. Her Facebook page features a picture of her posing with Hillary Clinton. Her Facebook friends include well-known faces from the media, public officialdom and business, including Denise Ilitch daughter of the late Detroit billionaire Mike Ilitch. Among the 60 people reportedly sending letters to the court asking for leniency for Morgan was the Rev. Wendell Anthony, president of the Detroit branch of the NAACP.

The sentencing of Morgan takes place under conditions in which the entire UAW has been implicated in a corrupt scheme to defraud workers of elementary representation rights. Contrary to repeated claims by UAW President Dennis Williams that the illegal payouts only involved a few corrupt individuals in the UAW leadership, recent federal court filings point to the UAW as a co-conspirator.

Following the sentencing of Morgan, the UAW issued another pro-forma statement claiming the corruption scandal was the work of a few rogue individuals.

"The misconduct of certain individuals in this case has been disturbing. Importantly, however, the wrongdoing did not involve union funds or affect our collective bargaining agreements. The UAW has taken

strong measures to prevent a reoccurrence of this type of misconduct and our new leadership team continues to oversee improvements in our operations and financial controls.”

In fact, four of the eight members of the negotiating team that oversaw the sellout 2015 Chrysler contract have been indicted or are involved in the scandal, including former UAW vice president for Fiat Chrysler, Norwood Jewell, who took early retirement. Further, federal prosecutors have named the UAW itself as a co-conspirator in the illegal scheme.

According to terms of a May plea deal with Michael Brown, FCA director of employee relations, the conspiracy involved payments from NTC funds to UAW officials on special assignment who did little or no actual work. According to the filing, “Michael Brown and other FCA executives authorized additional prohibited payments to the UAW in the form of a 7 percent administrative fee that was added to the monthly demand by the UAW for reimbursement of salaries and benefits. The UAW did not, in fact, incur legitimate cost or provide legitimate services to the NTC to justify the addition of a 7 percent administrative fee.”

UAW secretary treasurer Gary Casteel, who would have been in a position to know about the alleged illegal payments, decided not to seek re-election.

The payments to the UAW were “political gifts” intended to influence contract negotiations and to obtain the most favorable contract terms possible for Fiat Chrysler. This included the 2009 bankruptcy deal that imposed a mandatory two-tier wage scheme through to the sellout 2015 contract that lifted all caps on the use of super-exploited temporary part-time workers.

At the UAW Constitutional Convention held in Detroit in June, union officials defended the integrity of the contracts and suppressed any hint of criticism. In a jaw dropping display of arrogance, UAW officials voted themselves massive pay raises, including a 30 percent (\$46,000) raise for incoming UAW President Gary Jones, and a 21 percent (\$32,000) raise to incoming Secretary Treasurer Ray Curry. UAW vice presidents got \$28,000 raises.

By contrast, in the 2015 sellout deal second-tier workers were locked into an eight-year progression to reach top scale, while first-tier workers received a

miserable 3 percent increase, their first raise in more than 10 years.

In a sign of turmoil in the leadership, Gary Jones took the unusual step of re-assigning UAW Vice President for General Motors Cindy Estrada to head the FCA department, while UAW Chrysler department vice president Terry Dittes now heads the GM department. Federal investigators were reportedly scrutinizing a charity headed by Estrada as part of their corruption investigation. Estrada recently drew the anger of workers at the General Motors Lordstown and Lake Orion plants over a deal to allow low paid subcontract workers to take over material handling jobs formerly held by senior GM workers.

The ongoing exposure of the UAW as a bribed tool of management underscores the importance of the call by the Socialist Equality Party and the World Socialist Web Site *Autoworker Newsletter* for the formation of rank-and-file factory committees. These committees must demand the nullification of all the contracts negotiated by the corrupt UAW and launch a fight for the restoration of all concessions, including the abolition of tiers and the immediate hiring of all TPT workers as full-time employees with all corresponding rights and benefits.



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